



SUPERINTENDENT OF PUBLIC INSTRUCTION

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Federal Communications Commission
Attention: Federal-State Joint Board on Universal Services
(FCC-96-93)
CC Docket No. 96-45
1919 M Street N.W.
Washington DC 20554

FOCUSED ACTION

Ladies and Gentlemen:

We are pleased to have the opportunity to comment on the Notice of Proposed Rule making for Section 254 of the Telecommunications Act. Our commentary follows:

I - Comment on NPRM Question No. 4 about how each of the seven principles enunciated in Section 254(b) should influence Board policies on universal service.

a. Seven Principles. Each of the seven principles address an important concern; and, collectively, they should serve as the basic criteria for judging whether Joint Board recommendations and/or Commission rules are appropriate. The following two principles are especially important as criteria for rules relating to school, classroom, and library access:

(1) Principle Five--SPECIFIC AND PREDICTABLE SUPPORT MECHANISMS. It is essential that educational programs and libraries operate in an environment where carefully planned efforts are sustainable over a minimal 3- to 5-year life cycle. Therefore, specificity in regard to available services, pricing, and support mechanisms for defined periods is essential.

(2) Principle Six--ACCESS TO ADVANCED TELECOMMUNICATIONS SERVICES FOR SCHOOLS, HEALTH CARE, AND LIBRARIES. This principle must be applied literally; and, in conjunction with Sections 254(c)(1)(A), 254(c)(3), 254(h)(1)(B), 254(h)(2)(A), and Section 706, should be interpreted as requiring rules to ensure that affordable telecommunications access is available equitably for ALL school offices, classrooms, and libraries in America.

b. Quality. In regard to educational services, quality should be measured by three criteria: first, by the extent to which consumers operating and using telecommunications services in schools, classrooms, and libraries believe that they are able to utilize such services to accomplish their respective educational objectives; second, by an index which quantifies the Opportunity to Learn provided to teachers and learners through the use of telecommunications; and third, by both

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quantitative and qualitative indices which represent Increased Student Achievement attributable to the use of telecommunications. These should be assessed periodically through a variety of methods, and the quality of service provided to educational and library users should never be lower than that provided to the average business customer.

c. Affordable. For educational purposes, this notion relates to the ability of schools, classrooms, and libraries to acquire and utilize telecommunications services. In order for this to be equitable, a single flat rate for basic service to all schools, classrooms, and libraries in a given state should be established, benchmarked at a rate no higher than 50% of the average business rate for that service in that state. Similarly, a single flat rate for advanced telecommunications services should be established, benchmarked at a rate no higher than 75% of the average business rate for that service in that state.

II - Comment on NPRM Question 16 about "core services". The following very basic voice services should be included among those core services that are included in the definition of universal services for educational purposes with the "point-of-presence" (i.e., final point at which services are provided) being to every school or classroom and library in America: (a) voice grade access to the public switched network, with the ability to place and receive calls; (b) touch-tone dialing; (c) single party service; (d) access to emergency services (911); and (e) access to operator services.

III - Comment on NPRM Question 17 about what additional services meet the statutory criteria of Section 254(c)(1) and therefore should be among the services that should receive universal service support.


Based on the four criteria specified in Section 254(c)(1), frame relay services, ATM, directory listings, access to interexchange services, voice mail, local (or 800 number supported long distance) internet access, student and educator electronic mail accounts, data transmission capability, optional Signaling System Seven features or blocking of such features, and high speed transmission and broadband telecommunications services [including, but not limited to, ISDN PRI (23B & 1D channels) operating over a T-1 line with data rate transmission capability of at least 128 kbps, 56KB leased lines, and T-1 leased lines] should also be considered additional basic "core services" for educational purposes.

Sincerely,

INSTRUCTIONAL RESOURCES



David A. Kennedy, Director
Educational Technology



Dennis Small, Program Supervisor
Educational Telecommunications

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the matter of

Notice of Rulemaking and)
Order Establishing a) CC docket number 96-45
Joint Board)

The Office of the Resident Representative of the Commonwealth of the Northern Marianas Islands ("Resident Representative"), hereby replies to a notice for comments regarding the provision of universal service and the establishment of a Federal State joint board relating to telecommunications.

As the office that represents the Commonwealth of the Northern Mariana Islands (CNMI) before federal agencies we view our responsibilities as legislative rather than regulatory or administrative in scope. As such we do not necessarily have the responsibility of implementing regulations; therefore we offer comments on the general policy issues rather than on the specific technical issues.

Federal State Joint Board

We view the proposed Federal State Joint Board as especially important to the CNMI because we are not currently provided service in the manner and to the degree that the majority of mainland customers are. As the task of this Board is to make amendments to specific regulations to implement the policies of the 1996 Telecommunications Act it is important to realize that the CNMI might have slightly different, or even unique needs in comparison to other locations. It is important to have local representation on this Board, and other Boards created to implement the 1996 Telecommunications Act so that there might be input provided into matters relating to universal service for the CNMI. We also feel that local representation will permit the consideration of regional issues that might arise.

This Board has the responsibility of considering the essentialness of differing levels of service balanced by public interest, i.e. are services being

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utilized by customers; is technology generally available? This can only be done with local and regional representation.

Core Services

Although a majority of the core services discussed in the notice¹ such as voice grade access to the public switched system, touch tone, single party service, access to emergency service and access to operator services are available to residents in the CNMI in some form, and it might appear that basic universal service is provided; however, in many cases it is not the most up to date equipment. We realize that the first responsibility of the Board is to provide core services at reasonable rates, but there are great technological differences even within the core services. For example, although operator assistance is available, how automated is it and to what level can assistance be rendered? In the CNMI we are at the bottom of the scale in terms of certain technologies.

We are currently proceeding to construct a fiber optic cable between the CNMI and Guam. Once connected this cable will permit full fiber optic service between the CNMI and the mainland for the first time. Fiber optic is essential to handling high volumes of information traffic. We view fiber optic service as a core level of service. The provision of high quality fiber optic cable that permits full touch tone service is viewed as an essential service. Touch tone service is vital in obtaining access to the information superhighway and other consumer services.

We suggest a limit on the time that types of services have to be made available to residents of insular areas, rural areas, low income areas, and high cost areas. For example rules could be promulgated that require certain services be made available within 3 years of introduction and usage by more than 1,000,000 population.

We also suggest that standards are proposed that will permit regular updating of universal service standards as technology changes.

We also support minimum standards relating to enhanced 911 services. The island of Saipan does not have a definitive street address system and emergency service is sometimes hampered in terms of determining location. Enhanced 911 service along with improved locational software and Graphic Information Systems (GIS) devices could tremendously improve the response times of public safety and health vehicles.

We express caution that although core service must be provided by a local exchange carrier (LEC) and must lead to competition by providing

¹See Notice of Proposed rulemaking, and Order establishing Joint Board, FCC 96-93, Docket Number 96-45, paragraph 11

open service by other carriers, and while we share the goal of total competition in the marketplace, the CNMI is a small market that might need to be managed until economies of scale can enter and introduce total competition. Already the fiber optic cable project has lead to a proposed lease that is being challenged as non- competitive. We ask for flexibility in interpreting these competitive provisions to allow for the development of basic infrastructure and other facilities to be provided in other manners beside total competitiveness for a period of time.

Federal Support and Assistance

Federal assistance has been made available to rural carriers based on the assumption that smaller jurisdictions are not economies of scale and therefore require subsidy to ensure that up to date service is provided.

We support the policies of the FCC that permit certain fees to stay within jurisdiction because we feel that capital purchases by telecommunications providers would be encouraged under this type of arrangement.

We have not evaluated the amount and nature of the subsidy programs but note that the Model² developed to determine subsidy level has been validated for all sections of the US except for Alaska and the insular areas. Although the Model provides benchmark costs for residential services it is not clear whether the modeled services are identical to the proposed core services.

Further the Model is based on the location of business and residential customers by census blocks. Although there might be a better method of calculating telecommunication needs than Census blocks, it must be relatively easy to use in all locations. If not the census, how will States be able to develop data inputs, especially smaller territories?

It is the aim of the Federal State Joint Board to prepare recommendations to implement universal price support mechanisms. We view rate integration as a crucial step that must be taken by carriers in concert with the FCC. Programs that provide price support and other cost mitigation funds are essential to this process.

Local Carriers

The Act gives the State authority to designate more than one Local Entry Carrier (LEC) if it is deemed to be in the public interest. A State commission may specify "service area" within which a carrier is classified

²See Notice of Proposed rulemaking, and Order establishing Joint Board, FCC 96-93, Docket Number 96-45, paragraph 31

as an eligible LEC. The LEC is eligible for price support and direct funding but is also responsible for universal service obligations (core service). As there may be instances where regional service rather than intra state service is required, we support this provision and encourage flexibility in its application. While we have sovereignty over our infrastructure we might decide to work together with other jurisdictions (Hawaii and Guam) on regional projects. There might be infrastructure, that because of economies of scale, would only be possible on a reasonable basis.

Local carriers are required to offer universal services either through facilities owned or leased and the advertisement of facilities and costs. This is extremely important in areas where people are not used to using technology. We strongly support the provision requiring advertisement of services and rates and ask the commission to be very specific in their application.

Low Income Customers

The Notice classifies residents of low income households, rural areas, insular areas and high cost areas similarly, i.e. they should receive the same basic benefits.

The CNMI has telecommunications customers who fit all four categories in that they are low income even compared to other CNMI residents, are living in an area separate from the mainland United States where costs are 50% higher in some cases than similar costs in the mainland US; are part of a rural population and are part of an insular area. While rate integration is the overall solution to some of these problems there are other programs that could prove beneficial.

We encourage greater access with strong incentives for companies to institute free toll blocking programs and reduction of mandatory deposits. This would permit low income persons to avoid termination of essential local service. Low income residents of the CNMI, many of whom are alien workers who do not speak or read well, frequently run up higher than expected bills forcing cancellation of service. Also high deposits are charged generally which prove especially burdensome to low income persons. High deposits carriers charge to cover the cost of non collectable charges might be a more significant barrier to universal service than the cost of local service itself.

Local service should be available with no long distance for a reduced rate with no deposit beyond a one or two month charge for local service. Local service termination cuts persons off from the society and is especially important to alien workers.

While we have access to an increasing range of services - the accessibility of telecommunications is still well below the mainland levels because of alien workers and other groups that can not afford even local

phone service. We also support federal guidelines regarding deposit criteria.

In conclusion from a Macro sense, i.e. does the community get the same services as other places are receiving - the answer to that is yes. But from a micro sense, - are segments of the community not improving in terms of access - the answer to that is very slowly.

Collection and Publishing of Information

The Commission seeks comment on whether it would be useful to collect and publish certain basic information regarding technical performance levels of carriers subject to our jurisdiction. We feel that this is extremely important especially to small areas with limited technical staffs. The basic software is hard to figure out and to many policy makers, this is technical stuff.

We have no comments regarding whether industry organizations or State commissions can collect and disseminate technical information instead of relying of Federal standards except to state that some States have a greater opportunity to utilize technical information than others; but all States should be required to do this.

Libraries

With the creation of information libraries on line, tremendous gains in information accessibility are possible. We view funding for advanced telecommunication for libraries as essential and consistent with federal programs for libraries generally.

Urban areas with larger information banks and more telecom access are provided with information sources as a competitive fact, well beyond that of outlying areas however access can now be provided to those outlying areas with modems and other tools. We support the acceptance of libraries and info banks as universal services because they are essential to the development of insular areas and prevent these areas from becoming alienated from the mainland in terms of information available.

Education

Information skills will be required for persons competing in the year 2000. This is a bi-partisan issue with the President and the Republican leadership both agreeing on its importance. Skill in telecommunications access are as necessary as reading and arithmetic.

We support the development of school programs in informet and other information skills. We also support funding or price support for the acquisition of modems and other hardware to local and state school districts. Finally we support free access for education from local and long distance telecommunication providers.

Health Care

The CNMI is well removed from the mainland and is in fact some 5,000 miles from Hawaii. The CNMI has developed an on island health care system but it still requires off island care with costs exceeding \$10,000,000 annually.

Although we continue to upgrade our services, regional services (CNMI and Guam) as well as continued use of mainland facilities is necessary. We view health care access as being vital to the well being of patients because other options such as air lifting sometimes are not available. We need telecommunications facilities that can handle the latest in on line and mobile services. While fibre optic cables are the first step, we require advanced software as well.

Respectfully submitted,

Resident Representative of the
Commonwealth of the Northern Marianas

By:



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